



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

October 18, 1999

H.R. 754

Made in America Information Act

As ordered reported by the House Committee on Commerce on September 29, 1999

SUMMARY

H.R. 754 would require the Department of Commerce to conduct a rulemaking proceeding to determine if sufficient interest exists among manufacturers to establish a consumer telephone hotline listing products that are made in America. If sufficient interest is found, the bill would require the department to enter into a contract to establish a three-year pilot program to operate such a hotline and to charge fees to pay for the cost of the contract.

CBO estimates that implementing H.R. 754 would not result in any significant net cost to the federal government because the bill would authorize the Department of Commerce to establish fees to offset the costs of the toll-free hotline, subject to approval in appropriation acts. H.R. 754 could increase governmental receipts because the bill would establish a civil penalty for anyone who knowingly registers a product for the toll-free hotline that is not made in America, as defined by the bill. Because the bill could affect receipts, pay-as-you-go procedures would apply, but CBO estimates that any such receipts would not be significant in any year.

This bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reforms Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 754 is shown in the following table. The costs of this legislation fall within budget function 370 (commerce and housing credit).

	By Fiscal Year, in Millions of Dollars				
	2000	2001	2002	2003	2004
SPENDING SUBJECT TO APPROPRIATION ^a					
Estimated Authorization Level					
Funding for the Department of Commerce	10	0	0	0	0
Less: Estimated Collections of Fees	<u>-2</u>	<u>-3</u>	<u>-4</u>	<u>-1</u>	<u>0</u>
Estimated Net Authorization	10	-3	-4	-1	0
Outlays					
Estimated Gross Outlays	2	3	4	1	0
Less: Estimated Collections of Fees	<u>-2</u>	<u>-3</u>	<u>-4</u>	<u>-1</u>	<u>0</u>
Estimated Net Outlays	0	0	0	0	0

a. H.R. 754 also could increase governmental receipts, but CBO estimates that any such change would be less than \$500,000 a year.

BASIS OF ESTIMATE

For purposes of this estimate, CBO assumes H.R. 754 will be enacted during fiscal year 2000 and that \$10 million will be appropriated in that year for the total three-year cost of the consumer hotline.

Based on information from the Department of Commerce, CBO estimates that the rulemaking proceeding required by the bill would cost less than \$500,000, primarily for personnel costs. Assuming the department finds sufficient interest among manufacturers, CBO estimates that establishing a hotline and database, and operating the program over a three-year period would cost the federal government approximately \$10 million beginning in fiscal year 2000 and ending during fiscal year 2003. This estimate assumes that all costs of the three-year contract for the consumer hotline would be covered by fees, as specified in the bill.

The authorization to enter into a contract for operation of the hotline would not constitute direct spending because the bill would require that the contract be paid solely through fee collections, and that those fees be collected only to the extent allowed in appropriation acts.

PAY-AS-YOU-GO CONSIDERATIONS

The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. H.R. 754 would affect receipts because the bill would establish a civil penalty for anyone who knowingly registers a product for the toll-free hotline that is not made in America, as defined by the bill. Collections of fines would count as governmental receipts and would be deposited in the general fund of the Treasury. CBO expects that any additional collections would be less than \$500,000 in any year.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

The bill contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

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